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# DOPE COFFEE 2021 INVESTMENT MEMORANDUM

BLACK-OWNED, WOMAN-OWNED, VETERAN-OWNED





Mike Loyd, CEO

Chel Loyd, CPO

Stace Loyd, CPO

# THE DOPE TEAM



## **Vision**

Our vision is to create a world where Black culture can be fully present and relaxed. To merge the world of coffee and Hip-Hop into the ultimate customer experience.

## **Mission**

To educate and inform the culture through coffee and Hip-Hop.



# The Coffee Industry Is Disconnected

The speciality coffee industry does not see people of color as the customer

Current branding models don't speak to diverse groups



The Cafe environment can be unwelcoming and hostile



Flavors and Taste not well received



# A DOPE OPPORTUNITY



*Our brand is designed to reflect the experience of Black American culture, but it also resonates well with non-Black (White, Asian, Latino etc.) groups.*

*A large proportion of our sales come from non-Black customers. People immediately understand and get Dope Coffee across cultures.*

# Bagged Coffee Lineup



# INNOVATION

Beyond Whole Bean & Ground Coffee



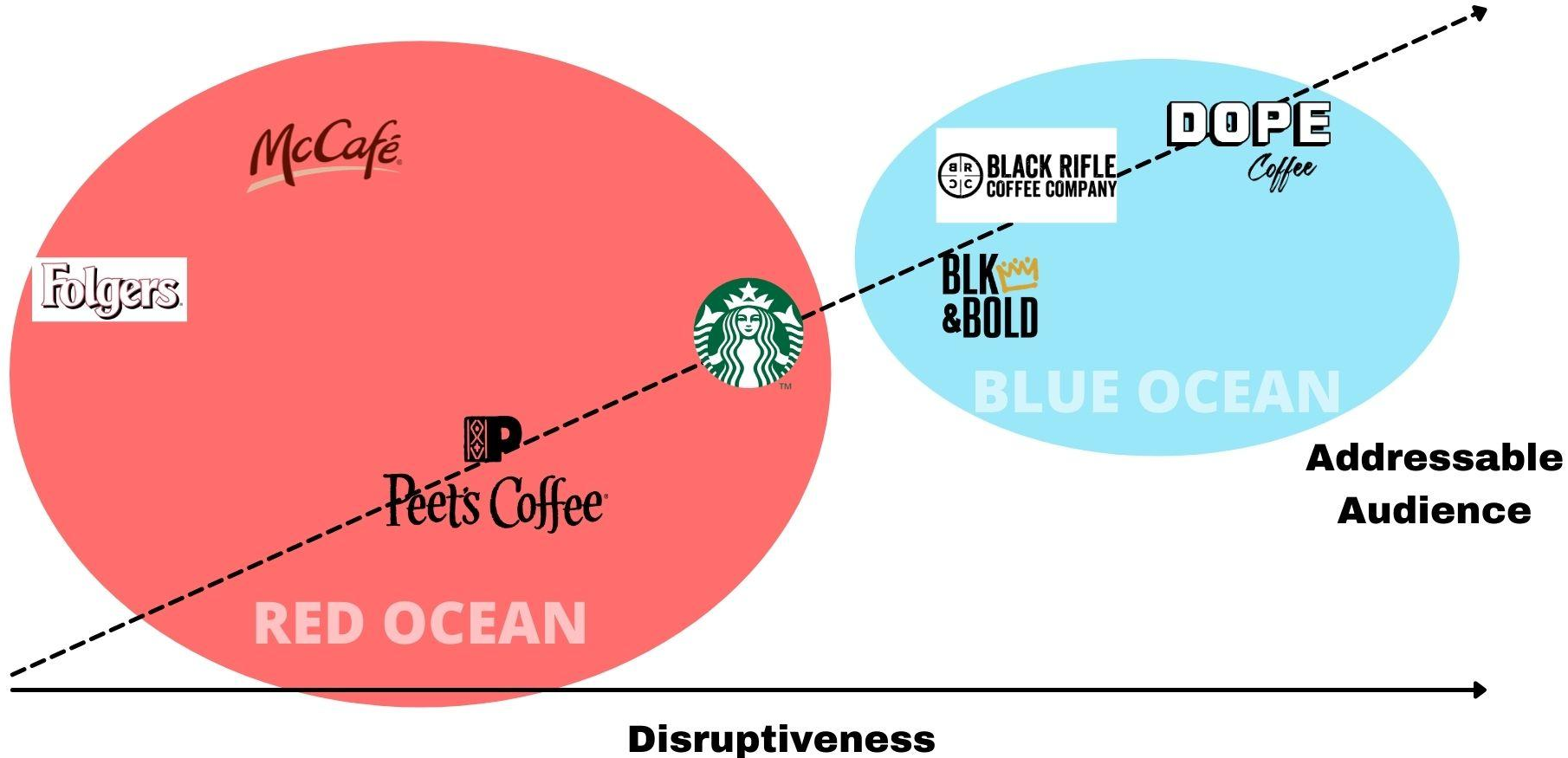
HBCU  
Ready To Drink Concept



Hip-Hop Coffee & Tea Line  
Ready To Drink Concept



# Coffee Industry Competitive Landscape





# Demonstrated Traction



- Last 12 Month Revenue \$192,490 +2628% ↑
- 5600+ Customers ↑
- Store Session Growth +646% ↑
- Returning Customer Rate 17.2%
- Store Conversion Rate 6% ↑
- Average Order Value \$38.32 ↑

\*Stats as of February 2021



**DOPE**  
*Coffee*

# Business Model

Dope Coffee will operate a Click and Brick Business retail model serviced by a central headquarters in Atlanta, Ga. We will open flagship Micro Fulfillment centers in key urban markets that brings our online experience in person.

The Click and Brick model has been demonstrated to be successful in the specialty coffee industry by Blue Bottle Coffee company generating annual revenues of \$25M.

Our e-commerce strategy hinges around our website [www.realdope.coffee](http://www.realdope.coffee). At our current stage of growth, we utilize the micro fulfillment center concept.

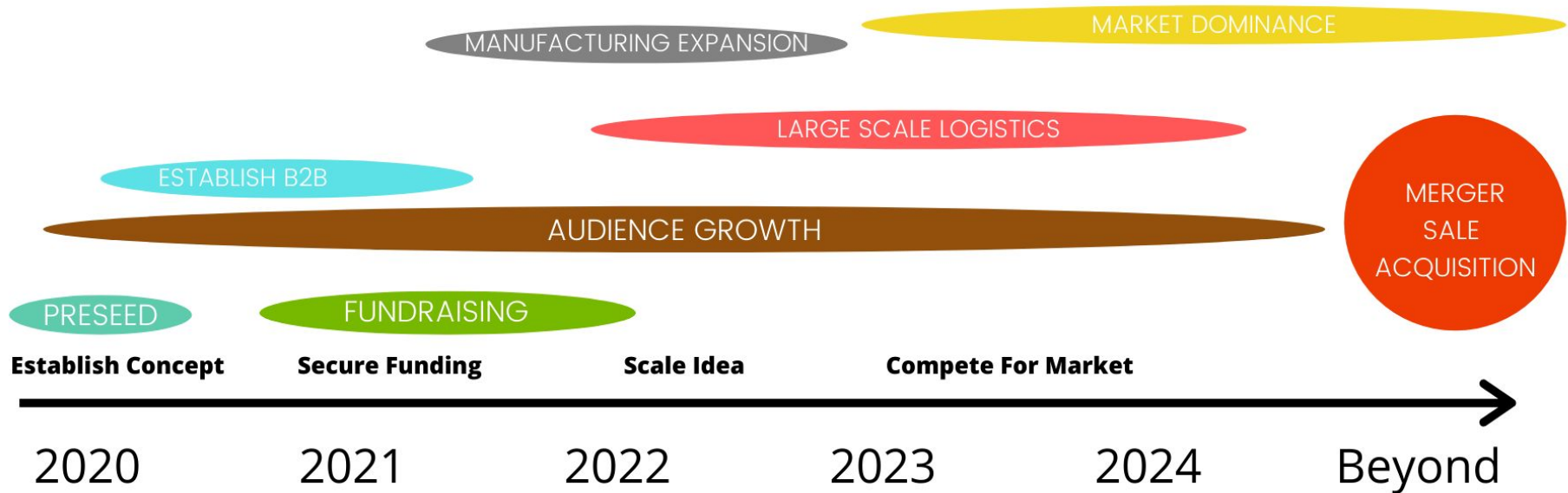
## **Click and Brick Advantages**

- Boost offline (in-store) sales by leveraging online data
- Enhance the customer experience by giving sales associates access to their online account information (purchase history, product recommendations)
- Integrate inventory and fulfillment, which allows shoppers to buy online and pick up in the store, or have items shipped to their home.

# B2C Marketing Approach



# The Dope Path





# 3 Year Financial Projections

## Income Statement

	%	Year 1	Year 2	Year 3
Revenue		650000	1500000	2500000
Cost of sales		370500	855000	1425000
<b>Gross margin</b>	43	<b>279500</b>	<b>645000</b>	<b>1075000</b>
Operating expenses		157388	175000	225000
Depreciation	3	750	2228	2221
<b>Operating income</b>		<b>121362</b>	<b>467772</b>	<b>847779</b>
Finance costs	4	360	2134	1725
<b>Net income</b>		<b>121002</b>	<b>465638</b>	<b>846054</b>

## Use of Proceeds

Supply and Inventory	\$134K
Marketing & Advertising	\$90K
Working Capital	\$67K
Sales	\$44.5K
Local Delivery	\$29K
Operations	\$27K
Popup & Retail	\$20K
Reserve	\$9K
<u>Roasting Ops</u>	<u>\$8.5K</u>
Total:	\$428,980

# MANUFACTURING & LOGISTICS

Dope Coffee has an intentional plan to upgrade our manufacturing & fulfillment capability in three phases based on funding level

## Phase 1 - (Preseed)

- B2C & B2B Internal Fulfillment
- Self Produce All Manufactured Products
- Third Party Coffee Roaster

Phase 2 - (Post Seed) Decrease reliance on 3PO and Co Packers. Increase roasting & bottling capacity. Begin K-Cup Manufacturing, Sourcing direct from China at large volume.

Phase 3 - Internal Production, Large Scale Roasting Operations, Large Scale Bottling, Large scale Fulfillment & Distribution Operations



A photograph of a modern coffee roasting facility. On the left, a large black industrial roasting machine with a hopper and a control panel is visible. To its right, several large burlap sacks of coffee beans are stacked on wooden pallets. In the background, a large glass-walled room with a black metal frame is visible, containing more equipment and shelving. The ceiling features exposed ductwork and track lighting.

# MODERN & EFFICIENT ROASTING FACILITY



# COFFEE AT THE SPEED OF THE INTERNET

